

FREQUENTLY ASKED QUESTIONS

ON

Rights Entitlement (RE) issued under Rights Issue Process in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

*These FAQs offer only a simplistic explanation/clarification of terms/concepts related to the Rights Entitlement (RE) issued under Rights Issue Process in terms of **SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018** [“ICDR Regulations”]. Any such explanation/clarification that is provided herein should not be regarded as an interpretation of law nor be treated as a binding opinion/guidance from the Securities and Exchange Board of India [“SEBI”]. For full particulars of laws governing the Rights Issue, please refer to actual text of the Acts/Regulations/Circulars appearing under the Legal Framework Section on the SEBI website.*

1. What is Rights Entitlement (RE)?

Rights Entitlement (RE) is the rights issued by the company to the existing shareholders to subscribe to the new shares / other securities that the shareholder of a company is eligible to apply for under the rights offer. REs are offered to shareholders based on a ratio of existing equity shares held as on the record date.

2. What are the options available to an Eligible Equity Shareholder in rights Issue?

Eligible Equity Shareholder can:

- i. apply for their Rights Equity Shares to the full extent of their Rights Entitlements; or
- ii. apply for their Rights Equity Shares to the full extent of their Rights Entitlements and apply for additional Rights Equity Shares; or
- iii. apply for their Rights Equity Shares to the extent of a part of their Rights Entitlements (without renouncing the other part); or
- iv. apply for Rights Equity Shares to the extent of a part of their Rights Entitlements and renounce a part / rest of their Rights Entitlements; or
- v. renounce their Rights Entitlements in full.

3. How are Rights Entitlements (REs) issued?

Rights Entitlements (REs) are issued in dematerialised form under a separate ISIN created by the Company.

4. What is the process of on market and off market renunciation?

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as trading / selling Equity Shares of the Company.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

5. What happens to Rights Entitlements (REs) which are neither subscribed nor renounced on or before the Issue Closing Date?

Rights Entitlements (REs) which are neither subscribed nor renounced on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

6. Whether any persons who are not existing shareholders of the issuer company as on record date, can apply to the Rights Issue?

Yes. Persons who have bought Rights Entitlements (REs) through On market renunciation / Off market renunciation, are eligible to apply for the shares / other securities offered under Rights Issue to the extent of the REs available in their demat account.

7. What will happen if Rights Entitlements (REs) are purchased through On market renunciation / Off market renunciation, and no application is made for subscribing the shares / other securities offered under Rights Issue?

If no application is made by the purchaser of REs on or before Issue closing date then such REs will get lapsed and shall be extinguished after the Issue Closing Date. No shares / other securities for such lapsed REs will be credited, even if such REs were purchased from market and purchaser will lose the premium paid to acquire the REs.

Persons who have bought Rights Entitlements (REs), shall require to make an application and apply for shares / other securities offered under Rights Issue, if they

want to subscribe to the shares / other securities offered under Rights Issue.

8. Can an application in the rights Issue be made using third party bank account?

Investors can make payment only using bank account held in their own name. Applications made with payment using third party bank accounts are liable to be rejected

9. Can a joint bank account be used to make applications on behalf of shareholders?

Yes. All joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

10. What is the process to be followed by a shareholder holding shares in a physical form, for credit of Rights Entitlements and applying in the Rights Issue?

Physical shareholders shall be required to provide their demat account details to Issuer / Registrar to the Issue for credit of REs not later than two working days prior to the issue closing date, such that credit of REs in their demat account takes place at least one day before the issue closing date. This is to ensure that applications made by the shareholders are not rejected due to non-availability of REs in their demat account, as on issue closing date.

Shareholder are required to make the application on or prior to the Issue closing date. Application will be considered only if REs are in the demat account furnished.

11. Where can one find information related to REs?

The investors can get information related to REs in the letter of offer filed by the issuer company with Stock Exchanges. The letter of offer is also available on SEBI website under sections "Home » Filings » Rights Issues" The investors are advised to read the letter of offer carefully.